

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 222 - SB 1356**

March 26, 2009

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Human Services to report to the House Health and Human Resources Committee and the Senate General Welfare, Health, and Human Resources Committee on the amount of sales tax paid by persons using electronic benefit transfer cards for the immediately preceding calendar year.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$692,600**

Assumptions:

- According to the Department of Human Services (DHS), the electronic benefit transfer contractor is not required to collect sales tax information.
- The contractor would be required to check each EBT transaction for sales tax. The lowest rate of the contractor is \$.33 per transaction.
- As of December 2008, there were approximately 58,300 TANF recipients with EBT cards.
- DHS estimates that each recipient will make three transactions per month resulting in an increase in expenditures of \$692,604 (58,300 recipients x 3 transactions x 12 months x \$.33).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml